Montgomery official proposes carbon tax on major emitters

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As drops in buckets go, this is very small drop in a very big bucket.

Just in time for Earth Day, Montgomery County Council member and longtime energy lawyer Roger Berliner (D-Potomac-Bethesda) is proposing an excise tax on major carbon emitters in the county. He said his goal is to spur faster action to address global warming. And if he can raise millions of dollars a year with the carbon tax, he said, that will be another welcome byproduct.

The proposal would put a $5 tax on each ton of carbon dioxide sent skyward by "major emitters." In Montgomery, that means one facility: the 843-megawatt Dickerson generating plant that Mirant runs near Poolesville.

That facility accounts for about 2.33 million tons of carbon dioxide yearly. The nation's annual greenhouse gas tally has hit about 7 billion tons in recent years.

Mirant officials appear ready for a fight. The firm generates power across Maryland, in Alexandria, in California and beyond. Asked whether company executives are prepared to pay the tax, a Mirant spokeswoman said simply: "No."

Berliner said that the tax would help county coffers in a time of serious fiscal challenges and that Pepco officials told him that the tax would have no discernable impact on rates. The county is paying to reduce its emissions, and the biggest emitters should pitch in, he said. "We are spending, and will be spending, millions of dollars on carbon-reducing programs," Berliner said.

A Mirant spokesman argues that Montgomery would just be adding one more levy. "You're not reducing greenhouse gas emissions. All you're doing is taxing a business with 150 employees in your county," said Misty Allen, Mirant's director of external affairs for the mid-Atlantic. "Maryland and Montgomery County are not islands unto themselves with respect to electricity. . . . Greenhouse gases should be regulated on an international basis or, at most, at the national level."

Allen added that Maryland is part of a broader effort known as the Regional Greenhouse Gas Initiative and that the company must pay into that program. "At least with programs like RGGI, which are regional, it creates a more level playing field for electricity generators," Allen said.

But Berliner said that the initiative needs more teeth and that he thinks his tax will help. The regional program "just is the framework, and it doesn't truly advance the environmental agenda," Berliner said, noting that actual reductions in emissions remain years off. "What [this tax] does is give you the best of both worlds. It gives you the framework, and then it says, 'I'm going to induce you to do more. It's time to get on with this.' "

The draft legislation, which Berliner is set to unveil Thursday, notes that "Montgomery County has embraced an 80 percent reduction in greenhouse gas emissions by 2050 and has begun to engage in programmatic efforts to reduce these emissions. These efforts constitute a significant investment by the County and its constituents and cover both stationary sources (County owned and otherwise) and mobile sources."

Half the funds raised by the tax "must be reserved for and allocated in the annual operating budget to funding for County greenhouse gas reduction programs, including mass transit," according to the draft.

Veronique Bugnion, managing director of Point Carbon, a Washington-based firm that analyzes carbon markets, said the Montgomery effort is modest but could have an impact.

"It might be a very small drop in the big global warming bucket," she said. "At the same time, regional and local policies often have the goal of being a role model, being an example for bigger policies."

That's part of Berliner's idea.

"It is indeed the threat of local government action like this that will drive the industry crazy to the point they are more willing to accept a national regime," he said.

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